

Trust Registration Service (TRS)

Guidance Notes

This leaflet is a brief guide to the TRS registration requirements for certain types of Trust.

1. What are the Trustee Obligations to Register the Trust with the TRS?

UK Government have set out a registration requirement for all main types of Trust (including discretionary trusts and life interest trusts). The obligation is on the Trustees to register any Trust that is 'active' and holding a value of £10 or greater. Any Trust that is an Income tax-paying trust is already deemed active and under an obligation to be registered by 1st September 2022 or within 90 days of execution of trust documents.

This includes the following:

- any trusts or settlements which are ancillary to Wills and which have been created post October 2020, including those cases where the testator is still alive;
- any Will-trusts which have been activated following the death of the testator; and
- 'lifetime' property trusts where the value is placed in a protected trust structure;
- And other Trusts that have been activated following the death the value is held in 'loans' rather than actual money or property.

For those trusts not already registered, there will be a need to register as soon as possible. We believe that HMRC may not impose a penalty or fine where registration has been undertaken in a timely manner, once awareness of the need to do so is acknowledged, and where there is no deliberate delay.

2. What is the process of registration?

The process is relatively straightforward, but it requires a degree of expertise in order to ensure that the Trust classification is correctly registered and that the parties (Settlor, Trustees and relevant Beneficiaries) are included correctly.

The legal responsibility is on the Trustees to complete the process. If there is a professional trustee, then the duty primarily falls on their shoulders to ensure that the necessary information is provided.

The Registration will require:

- Details and identity of the Trust;
- The identity of the trustees and details of all other persons exercising effective control over the trust (if any), and some details of named beneficiaries and basic details of any class of beneficiary. For named beneficiaries, this includes the full names, dates of birth and national insurance numbers.

There are time deadlines for registration.

Further information can be found online at <https://www.gov.uk/trusts-taxes/trustees-tax-responsibilities>.

3. What are the tax consequences of registration?

Taxwise, there is no trust tax payable simply from the process of registration of a trust.

What it does mean is that HMRC/UK Government has a record of the existence of the Trust. It may assist them in future legislation and interpreting how to administer future taxation for Trusts.

4. What are the other implications of registration of the Trust at the TRS?

By effecting registration, it is a formal confirmation that the Trust exists. Generally, this will be seen as a positive step rather than a negative one. It means that the Trust cannot be ignored; it is in play and active (so to speak). It should assist with the legal validity/viability of the Trust and ensure that good practice requirements help in the upkeep, maintenance of the Trust is undertaken for the benefit of all connected with it.

5. What are the Costs to register the Trust at the TRS?

There is no fee paid to HMRC or UK Government for registration. Our standard basic charge is £295+vat per trust (50% reduction for related trusts) to register an express Trust at the TRS, which will include assisting trustees with all aspects of initial registration based on the Trust having UK-based trustees and beneficiaries. Further costs might apply for non-UK residents or domiciles or for additional advice sought. We charge £150+vat for assisting in the updating of a Trust's Register at the TRS where that is required upon instruction of the Trustees.

6. Does the Trust require detailed review before registration?

Before we arrange for registration of an active Trust, we suggest that we have a full Trust review with the trustees. That will include a discussion/meeting (in person or by zoom call) with the Trustees (and any primary beneficiaries) by way of a refresher on the following:

- The initial purposes for the Trust and why it was set up/created;
- What benefit the Trust may now serve you and the family;
- Whether any amendments/reviews or documents are required to keep the Trust's purposes up to date with the initial requirements;
- To confirm the tax treatment for the Trust as it stands currently as well as a view on how the Trust might in future be interpreted insofar as UK taxation is concerned, such as for Inheritance Tax;
- What, if the Trust serves no useful purpose, can be done to close or terminate the Trust.

We provide a detailed full Review and advice service for the Trust before registration. This costs £950+vat (covering all of the trusts relating to you) and shall include the following work, inclusive of the charge for assisting with TRS registration:

- A review prior to meeting/discussion;
- A meeting in person or zoom call discussion;
- A follow up detailed written advice covering the following:
 - (i) A summary of the Trust(s);
 - (ii) A summary of the reasons for creating the Trust(s);
 - (iii) UK HMRC requirements and TRS obligations;
 - (iv) Advice on whether to retain the trust, terminate the trust or vary the scope of the Trust
 - (v) Any ongoing requirements such as future reviews/updating; and TRS Registration.

Contact us for more guidance

We hope this guidance is helpful. For more information and for an initial discussion for advice please contact us.

Email: info@protrustconsulting.co.uk Telephone: 0207 123 6189